

Message Text

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PAGE 01 STATE 001057
ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00
TRSE-00 L-03 /030 R

DRAFTED BY:COM/BIEPR/182/DMCMEANS/KGD
APPROVED BY:EB/OCA/CM/JJREILLY
COM/BIEPR/180;VDTRAVAGLINI
COM/BIEPR/OTP/IND/RMITCHELL (SUBS)
STATE/EUR/NE/NACHILLES (PHONE)
EUR/RPE/RBRESLER (INFO)
-----050323Z 074300 /71
R 042134Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY THE HAGUE

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E.O. 11652: N/A

TAGS: NL, EINV, BDIS

SUBJ: ZERO MFG. CO.: INVESTMENT/EXPORT PROBLEM

1. ZERO MFG. CO., OF WASHINGTON, MISSOURI, MANUFACTURES REFRIGERATED-STAINLESS STEEL BULK MILK COOLING TANKS FOR DAIRIES. SINCE 1972 ZERO'S TANKS HAVE BEEN ASSEMBLED IN EMMEN, THE NETHERLANDS, UNDER CONTRACT BY N.V. TANKFABRIEK "IDO". SALES AND INSTALLATION OF THE TANKS APPEAR TO HAVE BEEN HANDLED BY A SEPARATE FIRM, INTERNATIONAL KOELING "IK", WHICH AT ONE TIME, BUT NOT CURRENTLY, WAS A JOINT VENTURE BETWEEN ZERO AND A MR. A.M. "BERT" VAN DUINEN. VAN DUINEN NOW APPEARS TO BE THE SOLE OWNER OF IK.

2. ZERO FOUND ITS DUTCH-ASSEMBLED TANKS TO BE UNCOMPETITIVE AND DECIDED TO SERVICE ITS EUROPEAN MARKET BY EXPORTING
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FROM THE UNITED STATES. ACCORDINGLY, ZERO GAVE NOTICE, AS PROVIDED IN ITS CONTRACT, IN JUNE OF 1976 TO IDO OF ITS INTENTION TO CANCEL THE ASSEMBLY CONTRACT AFTER "CAREFUL STUDY OF THE ECONOMICS". BEGIN FYI. ZERO BELIEVES BUT CANNOT PROVE THAT ITS TANKS ARE UNCOMPETITIVE BECAUSE IDO OVERCHARGED ZERO FOR ASSEMBLING THE TANKS. END FYI.
3. ZERO NOW FEELS ITSELF UNDER PRESSURE FROM THE DUTCH

GOVERNMENT TO CONTINUE ASSEMBLY IN THE NETHERLANDS UNDER SOME OTHER ARRANGEMENT SO AS TO PRESERVE THE THIRTY JOBS IN EMMEN WHICH IDO CLAIMS WILL BE LOST WHEN IT NO LONGER ASSEMBLES ZERO'S TANKS. VAN DUINEN REPORTED TO ZERO THAT HE MET DIRECTLY WITH GON MINISTER OF ECONOMIC AFFAIRS ON DECEMBER 21, 1976, ABOUT THIS MATTER AND THAT THE GON GAVE ZERO A MERE THREE WEEKS TO CHANGE ITS MIND ABOUT DISCONTINUING ASSEMBLY OPERATIONS. ZERO IS NOT REPEAT NOT PREPARED TO INVEST IN THE NETHERLANDS AND PLANS TO SHIP ITS TOOLS AND JIGS NOW IN THE POSSESSION OF IDO FROM THE NETHERLANDS TO THE U.S. DURING THE WEEK OF JANUARY 17, 1977, UNLESS PREVENTED BY THE GON. ZERO UNDERSTANDS THAT TWO DUTCHMEN WILL BE COMING TO THE U.S. DURING THE FIRST WEEK OF JANUARY TO DISCUSS THE MATTER.

4. BEGIN FYI. WE DO NOT REPEAT NOT KNOW WHAT EFFORTS ZERO MADE TO WORK OUT THE COST PROBLEM WITH IDO. WE BELIEVE ZERO HAS MADE NO REPEAT NO EFFORTS TO LOCATE A MORE EFFICIENT CONTRACTOR IN THE NETHERLANDS. ZERO NOW SEEKS USG ASSISTANCE IN HELPING IT PRESERVE ITS EXPORT MARKET IN THE NETHERLANDS. END FYI.

5. ACTION REQUESTED: EMBASSY'S ADVICE AND COMMENT IS REQUESTED ON THE GON'S ROLE AND POSITION IN THIS PROBLEM. WE ARE SURPRISED THAT A GON CABINET MINISTER WOULD PERSONALLY INVOLVE HIMSELF IN THIS SMALL MATTER. WE ARE ALSO SURPRISED AT THE VERY SHORT DEADLINE. ZERO TENDS TO BELIEVE THE JOBS REALLY INVOLVED ARE MORE NEARLY 15-20 RATHER THAN 30. WE HAVE HEARD ONLY ZERO'S SIDE; EMBASSY LIMITED OFFICIAL USE

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PERHAPS CAN SUPPLY THE DUTCH VIEW AND SUGGEST A POSSIBLE RESOLUTION.

6. NAMES AND ADDRESSES OF PRINCIPAL ACTORS ARE:
ZERO'S ATTORNEY: MR. WILLIAM STEVENS, BAKER MCKENZIE,
AMSTERDAM

A.M. VAN DUINEN
INTERNATIONAL KOELING N.V.
DORPSSGRAT 9
BLESKENGRAFF, HOLLAND

IR. J. BRINKHUYSEN
MANAGER
TANKFABRIEK IDO
KAPT. GRANTSTRAAT 12
POSTBUS 14
EMMEN, HOLLAND
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: COM/BIEPR/182/DMCMEANS/KGD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770181/aaaacsup.tel
Line Count: 116
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0b005ddd-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3665423
Secure: OPEN
Status: NATIVE
Subject: ZERO MFG. CO.: INVESTMENT/EXPORT PROBLEM
TAGS: EINV, BDIS, NL
To: THE HAGUE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0b005ddd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009